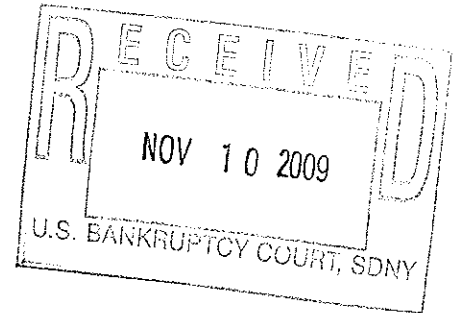


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November 4, 2009



Clerk of the US Bankruptcy Court for the
Southern District of New York
One Bowling Green
New York, NY 10004

Reference: Claims 168 & 170 (Madoff acct # ZR274, ZR275 and ZR 337)

Gentlemen,

We are writing this letter to request your consideration of a more equitable process for handling the treatment of claims by Madoff victims. We are proposing that a modest appreciation rate be applied to contributions, adjusted where necessary as withdrawals are taken.

November, 2008 Statement Balance:

Because the November 2008 statement balances reflect an unusually high rate of return, it would appear unreasonable for SIPC to use those balances for the payment of claims. I make this statement even though there is apparently case history which supports this approach. In our own case for example, depending upon whether we eventually recover deposits we believe we made but cannot prove conclusively, our Madoff appreciation rate was approximately 11% over sixteen years. No withdrawals were made.

Net Equity:

Conversely, the 'net equity' method which is presently being applied is obviously unfair to most all of us, particularly those who are older and have made contributions many years ago and not withdrawn funds. Victims with deferred income retirement accounts are hardest hit.

-Simply put, the value of a dollar today is not equivalent to a dollar fifteen years ago.

-Because it assumes no growth, those who have made earlier contributions are treated unfairly compared to those who have invested more recently.

-Older, more conservative retirees tend not to withdraw funds unless necessary. In our case for example, our required minimum withdrawals as well as taxes on fictitious growth were paid out of other savings in order to avoid depleting our Madoff IRA balances.

-Although we applaud your recovery efforts, for those of us in our mid 70's it becomes less likely every year we will share in the eventual results. Many of us could use even a small increase in the amount received from SIPC as soon as possible as we continue to attempt to sell our homes in a deteriorating market.

-Considering the SIPC ceiling of \$500,000 per individual, the adoption of a modest appreciation rate would probably not have a significant effect on cost.

Recommendation:

We would suggest the use of a modest growth rate tied to a conservative U S Government security. As an example we have calculated the average appreciation rate for the period beginning March 31, 1992 through September 30, 2009 for the following securities.

Thirteen week U S Treasury Bills 3.68%
1-3 year U S Government Credit Ind. 5.22%

Needless to say, we believe this approach would not only be a great help to many of the devastated Madoff victims but would enhance the public image of SIPC as well.

Very truly yours,


S. James Chambers